

## Message Text

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53

ACTION TRSE-00

INFO OCT-01 AF-06 ARA-06 EUR-12 EA-07 NEA-10 IO-10 ISO-00

FEA-01 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00

DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03 NSAE-00

NSC-05 OMB-01 PM-04 USIA-06 SAM-01 OES-03 SP-02 SS-15

STR-04 OIC-02 FRB-03 /136 W  
----- 065393

R 081832Z AUG 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC 3662

INFO AMEMBASSY ANKARA

AMEMBASSY BERN

AMEMBASSY BONN

AMEHBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

USMISSION OECD PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

AMEMBASSY PARIS

AMEMBASSY BEIRUT

USHISSION EC BRUSSELS 3002

USMISSION GENEVA

USMISSION USUN NEW YORK

AMEMBASSY JIDDA

AMEMBASSY ABU DHABI

AMEMBASSY ALGIERS

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AMEMBASSY CARACAS

AMEMBASSY DOHA  
AMEMBASSY JAKARTA  
AMEMBASSY KUWAIT  
AMEMBASSY LAGOS  
AMEMBASSY LIBREVILLE  
AMEMBASSY QUITO  
AMEMBASSY TEHRAN  
AMEMBASSY TRIPOLI

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DEPARTMENT PASS TREASURY AND FRB

E.O. 11652: N/A

TAGS: EFIN, ENRG, OECD, UK

SUBJECT: DRAFT IEA POSITION PAPER ON INDEXATION OF OIL  
PRICES

REF: STATE 175861

1. MRS. MARY HEDLEY-MILLER, UNDER SECRETARY, H.M. TREAS-  
URY, ASKS THAT FOLLOWING MESSAGE BE PASSED TO  
ASSISTANT SECRETARY PARSKY IN TREASURY DEPARTMENT.

A. THANK YOU FOR THE DRAFT POSITION PAPER ON OIL PRICE  
INDEXATION WHICH WE RECEIVED FROM MR. AMMERMAN ON 28  
JULY.

B. YOU WILL UNDERSTAND THAT I DO NOT AT THIS STAGE  
TAKE A POSITION ON THE INDEXATION ISSUE ON BEHALF OF  
HMG. THIS WILL BE FOR THE UK'S REPRESENTATIVES IN YOUR  
AD HOC GROUP AND ELSEWHERE, AS NECESSARY, IN THE IEA  
BUT I DO THINK THAT THE PAPER WILL PROVIDE A USEFUL  
BASIS FOR DISCUSSION AMONG OUR COLLEAGUES IN THE AD HOC  
GROUP.

C. THE GROUP WILL NO DOUBT WISH TO CONSIDER PARTICULAR-  
LY CAREFULLY THE PRECISE FORMULATION OF THE RECOMMENDED  
IEA POSITION -- SECTION P -- AND THE TALKING POINTS --  
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SECTION Q -- WHICH WILL IN EFFECT EMBODY THE TACTICS  
WHICH THE IEA WOULD PROPOSE TO FOLLOW IN DISCUSSING  
THIS DIFFICULT ISSUE WITH THE OIL-PRODUCING COUNTRIES.

D. ON THE TIMING OF THE NEXT MEETING OF YOUR AD HOC  
GROUP, WE SHOULD BE GRATEFUL TO KNOW AS SOON AS POSS-  
IBLE WHAT YOU PROPOSE. AS I SAID IN MY EARLIER MESSAGE  
THE UK WOULD FIND IT DIFFICULT TO ATTEND A MEETING IN

WASHINGTON IN SEPTEMBER IF THIS TOOK PLACE BETWEEN  
TUESDAY, 2 SEPTEMBER, AND SUNDAY, 14 SEPTEMBER.

2. COMMENT: DURING ORAL CONVERSATIONS WITH RUSSELL  
BARRATT, DEPUTY SECRETARY, H.M. TREASURY, AND MRS.

BARRATT, DEPUTY SECRETARY. H.M. TREASURY, AND MRS.  
HEDLEY-MILLER, THEY BOTH EXPRESSED STRONGER AGREEMENT WITH  
THE BASIC ANTI-INDEXATION POSITION TAKEN IN THE DRAFT IEA  
POSITION PAPER THAN SHOWS THROUGH IN THE WRITTEN RESPONSE  
QUOTED ABOVE. MRS. HEDLEY-MILLER MADE DISTINCTION BETWEEN  
THE GENERAL POSITION AGAINST INDEXATION, WHICH SHE SAID  
SHE GENERALLY AGREED WITH QUITE STRONGLY, BUT WAS MORE  
NUANCED IN TERMS OF THE TONE AND POSTURE TO BE TAKEN BY  
IEA IN ACTUAL DISCUSSIONS WITH THE OIL PRODUCING COUNTRIES

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** REPORTS, POLICIES, PETROLEUM, DIPLOMATIC COMMUNICATIONS, PRICE INDEXES  
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**Disposition Approved on Date:**  
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